

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

MEASURE M2 SENIOR MOBILITY PROGRAM

AGREED-UPON PROCEDURES REPORTS

Year Ended June 30, 2020

**ORANGE COUNTY LOCAL
TRANSPORTATION AUTHORITY**

**MEASURE M2 SENIOR MOBILITY
PROGRAM**

AGREED-UPON PROCEDURES REPORT

Year Ended June 30, 2020

The cities listed below were selected by the Audit Subcommittee of the Taxpayers Oversight Committee to perform agreed-upon procedures for the fiscal year ended June 30, 2020. Please refer to the individual divider tab for our report on each Agency.

City of Brea

City of Costa Mesa

City of Cypress

City of Laguna Hills

City of Placentia

City of Stanton

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF BREA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Brea's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, budget unit, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (110), various budget units, and account numbers. The City reported \$51,315 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$135,461 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$42,523 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$42,523; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,379 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total matching expenditures amounted to \$34,094 which was approximately 40% of the total expenditures of \$85,409 (M2 funded portion of \$51,315 and City's matching portion of \$34,094) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected 40 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,607 representing approximately 46% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Brea, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and

(Continued)

- b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 30, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 31, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF BREA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>51,315</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 51,315</u></u>

Note: The above amounts were taken directly from the financial records of the City of Brea and were not audited.



City of Brea

March 11, 2021

Board of Directors
 Orange County Local Transportation Authority
 and the Taxpayers Oversight Committee of the
 Orange County Local Transportation Authority
 Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Brea as of and for the fiscal year ended June 30, 2020.

Procedure #4

Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$471 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

City's Response:

Prior to FY 2015, the City was expending all SMP funds received on an annual basis. Therefore, there was no interest allocation required. Beginning with FY 2015, it appears that additional City funds were allocated to the program in excess of the required 20% match and therefore 100% of the Senior Mobility Program (SMP) funds were not spent each year. When this occurred interest was inadvertently not allocated to the unexpended balance. The City will be tracking these funds on a monthly basis going forward and allocating interest as appropriate through its quarterly interest allocation plan.

Procedure #9

Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:

- a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
- b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on inspection of the general ledger expenditure detail and discussion with City personnel, the City utilized California Yellow Cab to provide senior transportation services under the Senior Mobility Program. Crowe obtained and inspected the agreement and noted that the initial term of the agreement was from January 1, 2014 through December 31, 2014, with a provision to allow automatic renewal for "an additional one-year term by mutual agreement of both parties". Despite this language, the City indicated that the intention of the parties was for the agreement to continue annually in perpetuity unless cancelled in writing. As such, the City has not executed a new agreement, and has continued to operate under the original contract with California Yellow Cab through June 30, 2020, with no additional competitive procurement activities since 2013. Per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No other exceptions were found as a result of this procedure.

City's Response:

As indicated, City staff understood the contract language regarding the term supported the intention for this contract to renew annually unless cancelled in writing. Based on the feedback received as part of these agreed upon procedures, the City will be procuring a new contract through a new competitive process that includes a specified term of no more than five years with the intention to procure a new contract every five years through a competitive process. The City is targeting July 1, 2021 for a new contract start date.



William Gallardo, City Manager



Cindy Russell, Administrative Services Director



Tony Olmos, Public Works Director

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF COSTA MESA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Costa Mesa's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and program number. The City recorded its Senior Mobility Program expenditures in its General Fund (101), and various program numbers. The City reported \$95,203 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$278,062 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$0 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$0; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$95,203 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Costa Mesa methodology for interest calculation was to calculate the average monthly cash balance to determine if interest should be allocated to the program monthly for the fiscal year ended June 30, 2020. Given that the City had monthly negative cash balances for the entire fiscal year 20, no interest was allocated for the SMP for fiscal year 20. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fare for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$24,296 which was approximately 20% of the total expenditures of \$119,499 (M2 funded portion of \$95,203 and City's matching portion of \$24,296) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected 25 Measure M2 Senior Mobility Program expenditures for inspection totaling \$69,522 representing approximately 73% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Costa Mesa, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 31, 2019	-
December 2019	January 31, 2020	January 31, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 29, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF COSTA MESA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>95,203</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 95,203</u></u>

Note: The above amounts were taken directly from the financial records of the City of Costa Mesa and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF CYPRESS

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Cypress' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its General Fund (212), and various account numbers. The City reported \$31,763 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$165,191 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$79,671 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$79,671; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$57,890 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,322, which was calculated by multiplying the SMP average monthly cash balance of \$69,030 and the Measure M2 Fund interest rate of 1.92%. The City reported \$1,322 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching funds and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$7,941 which was approximately 20% of the total expenditures of \$39,704 (M2 funded portion of \$31,763 and City's matching portion of \$7,941) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected 20 Measure M2 Senior Mobility Program expenditures for inspection totaling \$23,881 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Cypress and does not exceed a monthly income cutoff, as specified in the City's service plan and is 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the cooperative agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 18, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 19, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.



Crowe LLP

Costa Mesa, California
March 12, 2021

CITY OF CYPRESS, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u> 31,763</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u> \$ 31,763</u></u>

Note: The above amounts were taken directly from the financial records of the City of Cypress and were not audited.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF LAGUNA HILLS

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Laguna Hills' (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings:No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$112,259 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$66,393 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$66,393; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$38,126 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: We obtained and inspected the City's interest allocation methodology. We identified interest income of \$1,869, which was calculated by multiplying the SMP average monthly cash balance of \$80,526 and the Measure M2 Fund interest rate of 2.32%. The City reported \$1,869 of interest income for the year ended June 30, 2019 which agreed to the City's Expenditure Report (Schedule 2, Line 8 for Project U). Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the Ordinance. The total match expenditures amounted to \$10,107 which was approximately 20% of the total expenditures of \$50,536 (M2 funded portion of \$40,429 and City's matching portion of \$10,107) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

Findings: We selected nine Measure M2 Senior Mobility Program expenditures for inspection totaling \$33,763 representing approximately 84% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met

(Continued)

the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Laguna Hills, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Yellow Cab to provide senior transportation services under the Senior Mobility Program. From inspecting the Yellow Cab procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCLTA. No other exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 15, 2021

CITY OF LAGUNA HILLS, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 33,721
Other Senior Mobility Project U	<u>6,708</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 40,429</u></u>

Note: The above amounts were taken directly from the financial records of the City of Laguna Hills and were not audited.



CITY OF LAGUNA HILLS

March 12, 2021

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Laguna Hills as of and for the fiscal year ended June 30, 2020.

Procedure #2

Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its General Fund (100), and Senior Mobility Program Fund (221), and various object codes. The City reported total SMP expenditures of \$36,754 on its Expenditure Report (Schedule 2, line 21 for Project U) for fiscal year 2020. The actual total SMP expenditures per the general ledger detail was \$40,429, a variance of \$3,675. The variance was due to the City's failure to include 10 percent in administrative charges assessed to the program. No other exceptions were found as a result of the procedure.

City's Response:

The City agrees with the Finding and is in the process of revising its M2 Expenditure Report accordingly for the fiscal year ended June 30, 2020. The revised Expenditure Report will be resubmitted to OCTA.

Procedure #8

Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines, administrative (non-direct) costs up to 10 percent of total expenditures (or specifically \$1,682 for FY20) are allowed and considered eligible program expenses. However, the City charged a total of \$33,721 in indirect and administrative costs to the Measure M2 Senior Mobility Program. The City utilized a fee study report to allocate overhead charges to labor rates for direct labor charged to the program. In addition, the City assessed 10 percent of total program expenditures. As a result, the City exceeded the threshold by \$32,029.

City's Response:

The City agrees with the Finding. Consequently, the City will restore the overage of \$32,029 to the SMP program and a revised M2 Expenditure Report for the fiscal year ended June 30, 2020, will be resubmitted to OCTA accordingly.

Procedure #11

Obtain and sample four monthly summary operations reports, and determine whether the reports were properly prepared and submitted by the last day of the following month.

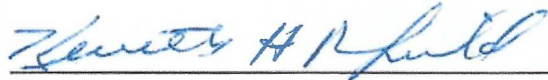
Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020).

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 9, 2020	-
February 2020	March 31, 2020	April 6, 2020	6
June 2020	July 31, 2020	July 22, 2020	-

Through inspection, we determined that one of the four reports was not submitted within 30 days of month end to OCTA. No other exceptions were found as a result of this procedure.

City's Response:

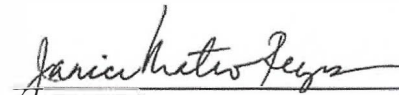
The City agrees with these findings. The untimely filing of the April monthly summary report was affected by the local emergency that was declared due to the COVID-19 health crisis.



Kenneth H. Rosenfield
Interim City Manager



David Reynolds
Deputy City Manager/Community Services Director



Janice Reyes
Finance Director

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF PLACENTIA

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Placentia's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and object code. The City recorded its Senior Mobility Program expenditures in its Measure M Fund (210), and various object codes. The City reported \$32,511 in the program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$764,874 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$61,577 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$61,577; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$59,016 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$61,577 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditures, scanned for the types and sources of matching and agreed to supporting documentation, such as invoices, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$8,128 which was approximately 20% of the total expenditures of \$40,639 (M2 funded portion of \$32,511 and City's matching portion of \$8,128) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected seven Measure M2 Senior Mobility Program expenditures for inspection totaling \$24,582 representing approximately 76% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for the Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Placentia, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$0 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no administrative costs were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel, the City contracted with Keolis Transit Services, LLC to provide senior transportation services under the Senior Mobility Program. From inspecting the Keolis Transit Services, LLC procurement document, we found that the contractor was selected using a competitive procurement process. In addition, per inspection of the original contract, we found the language requiring that wheelchair accessible vehicles be made available and used as needed was included, as required. No exceptions were found as a result of this procedure.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the contractor, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City's contractor was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 19, 2019	-
December 2019	January 31, 2020	January 30, 2020	-
February 2020	March 31, 2020	March 31, 2020	-
June 2020	July 31, 2020	July 30, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

At the request of OCLTA, the City's responses to certain findings are included in Exhibit 1. The responses are included for the purpose of additional information and were not subjected to the procedures described above. Accordingly, we did not perform any procedures on the City's responses and express no assurance or opinion on them.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF PLACENTIA, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ -
Other Senior Mobility Project U	<u>32,511</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 32,511</u></u>

Note: The above amounts were taken directly from the financial records of the City of Placentia and were not audited.

Exhibit 1

The People are the City



Mayor
CRAIG S. GREEN
Mayor Pro Tem
CHAD P. WANKE
Councilmembers:
RHONDA SHADER
WARD L. SMITH
JEREMY B. YAMAGUCHI

City Clerk:
ROBERT S. MCKINNELL
City Treasurer
KEVIN A. LARSON
City Administrator
DAMIEN R. ARRULA

401 East Chapman Avenue – Placentia, California 92870

March 11, 2021

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

The following response is being submitted to address results from the agreed upon procedures performed for the Measure M2 Senior Mobility program for the City of Placentia as of and for the fiscal year ended June 30, 2020.

Procedure #4

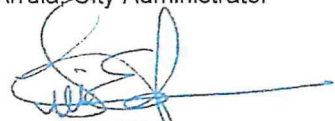
Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per inspection of the City's general ledger, we identified that Fund 110, General Fund included cash balances for various Measure M programs such as Measure M2 (Local Fair Share), and Senior Mobility Program. The City calculated interest earnings on a monthly basis using the ending cash balance of Measure M funds, but did not allocate or report interest to the Senior Mobility Program as required. The City should have allocated and reported interest of \$1,174 to the Senior Mobility Program. We inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year, but monetary donations were accepted and credited to the program. No other exceptions were found as a result of this procedure.

City's Response: The city agrees that interest was not allocated to the Senior Mobility Program. The city will restore and allocate back the interest that should have been allocated.



Damien Arrula, City Administrator



Luis Estevez, Deputy City Administrator



Jessica Brown, Finance Director

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
CITY OF STANTON

Board of Directors
Orange County Local Transportation Authority
and the Taxpayers Oversight Committee of the
Orange County Local Transportation Authority
Orange, California

We have performed the procedures enumerated below, which were agreed to by the Taxpayers Oversight Committee of the Orange County Local Transportation Authority (OCLTA) (the specified party), related to the City of Stanton's (City) compliance with certain provisions of the Measure M2 Local Transportation Ordinance (Ordinance) as of and for the fiscal year ended June 30, 2020. The City's management is responsible for compliance with the Ordinance and for its cash, revenue and expenditure records.

The Taxpayers Oversight Committee of the OCLTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City compliance with certain provisions of the Ordinance as of and for the fiscal year ended June 30, 2020. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

The procedures and associated findings were as follows:

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.

Findings: No exceptions were found as a result of this procedure.

2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 2020. Agree the amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.

Findings: The City's expenditures related to Measure M2 Senior Mobility Program were tracked in the general ledger by fund, and account number. The City recorded its Senior Mobility Program expenditures in its Senior Transportation Fund (251), and various account numbers. The City reported \$15,178 in program expenditures on the Expenditure Report (Schedule 2, line 21 for Project U) which agreed to the M2 funded portion of total expenditures, excluding the match funds. No exceptions were found as a result of this procedure.

(Continued)

3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 2020, agree to the balance as listed on the Eligible Jurisdictions' Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 2020, agree to the amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.

Findings: The City received \$102,706 for the past three fiscal years ended June 30, 2018, 2019 and 2020. We compared the fund balance of \$37,002 from the general ledger detail to the fund balance reported in the City's Expenditure Report (Schedule 1, line 24) of \$37,002; no difference was identified. We determined funds were expended within three years of receipt. We agreed payments received from OCLTA totaling \$46,113 during the fiscal year ended June 30, 2020, to the general ledger detail and to the amount listed as received on the City's Expenditure Report (Schedule 2, line 8 for Project U) without exception. No exceptions were identified as a result of this procedure.

4. Determine if the Eligible Jurisdiction's interest allocation and fare collection methodologies are adequate to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

Findings: Based on the Expenditure Report (Schedule 2, line 8 – Project U), the City reported \$0 in interest revenue. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, no interest revenues were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We inspected the interest allocation methodology. The City of Stanton methodology for interest calculation was to calculate the average cash balance for the entire FY to determine if interest should be allocated to the program for the fiscal year ended June 30, 2020. Given that the City had an average cash balance of the program was (\$2,064), no interest was allocated for the SMP for fiscal year 20. Additionally, we inquired of City personnel regarding fare collection methodologies. The City did not charge fares for senior transportation services during the year. No exceptions were found as a result of this procedure.

5. Determine that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e., accrual-basis funding allocation) for the fiscal year ended June 30, 2020.

Findings: We received the City's general ledger detail of matching expenditure, scanned for the types and sources of matching and agreed to supporting documentation, such as invoice, to determine whether the match amounts were justifiable and acceptable under the ordinance. The total match expenditures amounted to \$6,563 which was approximately 30% of the total expenditures of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which agreed to the City's general ledger detail of the M2 total expenditures. No exceptions were found as a result of this procedure.

6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for inspection. For each item selected perform the following:
 - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation; and
 - b. Determine whether the expenditures selected in (a) above were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative Agreement.

(Continued)

Findings: We selected 12 Measure M2 Senior Mobility Program expenditures for inspection totaling \$11,401 representing approximately 75% of total Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We agreed the dollar amount to supporting documentation and determined that the expenditures selected were exclusively for Senior Mobility Program and met the requirements outlined in the Measure M2 Project U Senior/ Disabled Program Funding Policy Guidelines and the cooperative agreement. No exceptions were found as a result of this procedure.

7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.

Findings: We inquired of management as to the procedures used to ensure services are provided only to eligible participants. Any person who wants to join the Senior Transportation Program must fill out an application and provide a copy of their driver's license or Department of Motor Vehicles issued identification card for age verification. The City then verifies that the applicant is a resident of City of Stanton, and 60 years of age or older in accordance with Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement. The City also maintains a copy of each application and the forms of verification on file. No exceptions were found as a result of this procedure.

8. Identify whether administrative costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, confirm that administrative costs do not exceed 10 percent, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines

Findings: Based on the Expenditure Report (Schedule 3, line 1), the City reported \$1,976 in administrative costs. Per discussion with the City's accounting personnel and inspection of the general ledger expenditure detail, administrative costs of \$1,976 were identified as Measure M2 Senior Mobility Program expenditures for the fiscal year ended June 30, 2020. We calculated and noted that the percentage of the administrative costs were 9.1% of the total M2 expenditure of \$21,741 (M2 funded portion of \$15,178 and City's matching portion of \$6,563) which did not exceed 10%, as dictated in Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines. No exceptions were found as a result of this procedure.

9. Determine if the Eligible Jurisdiction contracts with a third-party service provider to provide senior transportation service, and perform the following:
 - a. For Contractors procured prior to June 1, 2020, determine whether that the Contractor was selected using a competitive procurement process; and
 - b. Inspect the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.

Findings: Based on interview with City personnel and inspection of general ledger detail of expenditures, the City did not contract with a third-party provider to provide senior transportation services under the Senior Mobility Program. As a result, we did not perform the procedures listed above.

10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
 - a. Inspect the insurance coverage to ensure the terms satisfied the requirements established in the Cooperative Agreement; and
 - b. Determine whether the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.

Findings: We obtained and inspected the insurance coverage for the City of Stanton that used in-house staff to provide services for the Senior Mobility Program, and determined that the requirements established in the Cooperative Agreement were met. Additionally, the current year proof of insurance for the City was submitted and on file with OCLTA. No exceptions were found as a result of this procedure.

(Continued)

11. Obtain and sample four monthly summary operations reports and determine whether the reports were properly prepared and submitted by the last day of the following month.

Findings: We sampled four monthly summary reports (November 2019, December 2019, February 2020, and June 2020). Through inspection, we determined all four reports were timely submitted within 30 days of the following month end. OCLTA staff confirmed that reports were received on the following dates:

<u>Reporting Month</u>	<u>Due Date</u>	<u>Date Received</u>	<u>Days Late</u>
November 2019	December 31, 2019	December 12, 2019	-
December 2019	January 31, 2020	January 21, 2020	-
February 2020	March 31, 2020	March 17, 2020	-
June 2020	July 31, 2020	July 20, 2020	-

No exceptions were found as a result of this procedure.

We were engaged by OCLTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records, any indirect cost allocation plans and compliance with the provisions of the Measure M2 Local Transportation Ordinance. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City’s management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of and is not intended to be, and should not be, used by anyone other than the specified party.


Crowe LLP

Costa Mesa, California
March 11, 2021

CITY OF STANTON, CALIFORNIA
SCHEDULE OF MEASURE M2 SENIOR MOBILITY PROGRAM EXPENDITURES
Year ended June 30, 2020
(Unaudited)

SCHEDULE A

Measure M2 Senior Mobility Program Expenditures:	
Indirect and/ or Overhead - Schedule 3, line 1	\$ 1,976
Other Senior Mobility Project U	<u>13,202</u>
 Total Measure M2 Senior Mobility Program Expenditures	 <u><u>\$ 15,178</u></u>

Note: The above amounts were taken directly from the financial records of the City of Stanton and were not audited.